

CHAPTER NO. 423

HOUSE BILL NO. 1126

By Representatives McDaniel, Ford, Boyer

Substituted for: Senate Bill No. 1610

By Senators Atchley, McNally

AN ACT to amend Tennessee Code Annotated, Title 67, Chapters 6 and 7, relative to the taxation of television programming or services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-201, is amended by adding the following new subdivision:

(9) Charging a fee for subscription to, access to or use of television services provided by a cable television service provider authorized pursuant to Tennessee Code Annotated, Title 7, Chapter 59, or by a provider of wireless cable television services (multipoint distribution service/multichannel multipoint distribution service) offered for public consumption.

(10) Charging a fee for subscription to, access to or use of television services delivered by a provider of direct-to-home satellite service.

SECTION 2. Tennessee Code Annotated, Section 67-6-212, subsection (a), paragraph (5) is amended by deleting the language of the paragraph in its entirety.

SECTION 3. Tennessee Code Annotated, Title 67, Chapter 6, Part 2 is amended by adding the following new section:

Notwithstanding other provisions of this chapter to the contrary, commencing on September 1, 1999, state tax at the rate of eight and one-quarter percent (8.25%) on each sale at retail is imposed with respect to fees for subscription to, access to, or use of television programming or television services provided by a cable television service provider authorized pursuant to Tennessee Code Annotated, Title 7, Chapter 59, or by a provider of wireless cable television services (multipoint distribution service/multichannel multipoint distribution service) offered for public consumption, except such state tax shall not apply to television programming or television service charges or fees in an amount less than fifteen dollars (\$15.00) provided by a cable television service provider authorized pursuant to Tennessee Code Annotated, Title 7, Chapter 59, or by a provider of wireless cable television services (multipoint distribution service/multichannel multipoint distribution service) offered for public consumption.

SECTION 4. Tennessee Code Annotated, Section 67-6-102(24)(E) is amended by adding a new subitem (iv) as follows:

Home communication terminals, remote control devices, and other similar equipment purchased on or after January 1, 2000, by a cable television service provider authorized pursuant to Title 7, Chapter 59, Tennessee Code Annotated and held for sale or lease to its subscribers.

SECTION 5. Tennessee Code Annotated, Title 67, Chapter 6, Part 7 is amended by adding the following new section:

There is exempt from the local option tax fees for subscription to, access to or use of television programming or television services provided by a cable television service provider authorized pursuant to Tennessee Code Annotated, Title 7, Chapter 59, or by a provider of wireless cable television services (multipoint distribution service/multichannel multipoint distribution service) offered for public consumption up to but not exceeding twenty-seven dollars and fifty cents (\$27.50) per month.

SECTION 6. Tennessee Code Annotated, Section 67-6-103 is amended by adding the following new subsection:

Notwithstanding the provisions of subsections (a), (b), (c), (d) and (e), the state tax on fees or charges for subscription to, access to, or use of television programming or television services provided by a cable television service provider authorized pursuant to Tennessee Code Annotated, Title 7, Chapter 59, or by a provider of wireless cable television services (multipoint distribution service/multichannel multipoint distribution service) offered for public consumption on charges or fees in excess of fifteen dollars (\$15.00) but less than twenty-seven dollars and fifty cents (\$27.50) per month, shall be for state purposes only and shall be earmarked and allocated specifically and exclusively to the general fund. Any amounts derived from the sales tax on fees or charges for subscription to, access to, or use of television programming or television services provided by a cable television service provider authorized pursuant to Tennessee Code Annotated, Title 7, Chapter 59, or by a provider of wireless cable television services (multipoint distribution service/multichannel multipoint distribution service) offered for public consumption, in excess of twenty-seven dollars and fifty cents (\$27.50) shall be taxed at the state rate of six percent (6%) in accordance with the provisions of Part 2 of this chapter as well as pursuant to the local option revenue act in Part 7 of this chapter, and be distributed in accordance with the provisions of §67-6-103. Counties and incorporated municipalities shall use funds in the same manner and for the same purposes as funds distributed pursuant to Tennessee Code Annotated, Section 67-6-712.

SECTION 7. Tennessee Code Annotated, Title 67, Chapter 6, Part 2 is amended by adding the following new section:

Section _____. Notwithstanding other provisions of this chapter to the contrary, state tax at the rate of eight and one-quarter percent (8.25%) on each sale at retail is imposed with respect to fees for subscription to, access to, or use of television programming or television services delivered by a provider of direct-to-home satellite service.

SECTION 8. This Act shall take effect on July 1, 1999, the public welfare requiring it.

PASSED: May 28, 1999



JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES



JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 17th day of June 1999



DON SUNDQUIST, GOVERNOR